

SCHULMAN, RONCA AND BUCUVALAS, INC.
145 EAST 32ND STREET
NEW YORK, NEW YORK 10016

STUDY NUMBER 9173
January 2, 2001
OMB No. 1545-1720

TELEPHONE SOLICITATION SCRIPT

TELEPHONE NUMBER: _____ - _____ - _____

Interviewer: _____

Interview Date: ____/____/ 2000

SAMPLE READ IN: EVERYTHING

CONDITIONAL:

IF SAMPLE READS A CONTACT NAME, THEN GO TO A.1

IF SAMPLE READS NO CONTACT NAME BUT READS A CFO NAME, THEN SKIP TO A.2

IF SAMPLE READS NO CONTACT NAME NOR CFO NAME THEN SKIP TO A.3

Hello, this is _____ with the national research firm of SRBI. I am calling about work we are conducting for the Internal Revenue Service.

A.1 May I please speak to **[CONTACT NAME]**?

- | | |
|------------------------------|-------------------------|
| Speaking.....1 | SKIP TO B.1 |
| No longer works here.....2 | GO TO A.2 |
| No such person.....3 | GO TO A.2 |
| Not available/bad time.....4 | ARRANGE CALLBACK |
| Refused.....5 | SKIP TO B.4 |
| Update phone number.....6 | ARRANGE CALLBACK |
| Update respondent name.....7 | ARRANGE CALLBACK |
| Update company name.....8 | ARRANGE CALLBACK |

CONDITIONAL: IF NO CONTACT NAME BUT SAMPLE READS A CFO NAME, THEN ASK A.2; ELSE SKIP TO A.3

Hello, this is _____ with the national research firm of SRBI. I am calling about work we are conducting for the Internal Revenue Service.

A.2 May I please speak to **[CFO NAME]**?

- | | |
|------------------------------|-------------------------|
| Speaking.....1 | SKIP TO B.1 |
| No longer works here.....2 | GO TO A.3 |
| No such person.....3 | GO TO A.3 |
| Not available/bad time.....4 | ARRANGE CALLBACK |
| Refused.....5 | SKIP TO B.4 |
| Update phone number.....6 | ARRANGE CALLBACK |
| Update respondent name.....7 | ARRANGE CALLBACK |
| Update company name.....8 | ARRANGE CALLBACK |

Hello, this is _____ with the national research firm of SRBI. I am calling about work we are conducting for the Internal Revenue Service.

A.3 I need to speak to the head of your company's tax department, or the office that handles filing your company's taxes. Can you connect me to that person or office?

Yes.....	1	SKIP TO B.1
Don't have a tax office/don't know who that is.....	2	GO TO A.4
Taxes handled by someone outside the company.....	3	SKIP TO A.5
Not available/bad time.....	4	ARRANGE CALLBACK
Refused.....	5	SKIP TO B.4
Update phone number.....	6	ARRANGE CALLBACK
Update respondent name.....	7	ARRANGE CALLBACK
Update company name.....	8	ARRANGE CALLBACK

Hello, this is _____ with the national research firm of SRBI. I am calling about work we are conducting for the Internal Revenue Service.

A.4 May I please speak to either the head of your finance department or your company's Chief Financial officer?

Yes, Head of Finance	1	SKIP TO B.1
Yes, Chief Financial Officer.....	2	SKIP TO B.1
Don't have a Finance Office or CFO/don't know.....	3	SKIP TO B.4
Not available/bad time.....	4	RECORD NAME/ ARRANGE CALLBACK
Refused.....	5	SKIP TO B.4
Update phone number.....	6	ARRANGE CALLBACK
Update respondent name.....	7	ARRANGE CALLBACK
Update company name.....	8	ARRANGE CALLBACK

A.5 I need to speak to that person. Can you give me their name, the name of the company and their telephone number?

Gave name or company <u>and</u> phone number.....	1	RECORD DATA/ARRANGE CALLBACK
Refused.....	2	SKIP TO B.4

Hello, this is _____ with the national research firm of SRBI. I am calling about work we are conducting for the Internal Revenue Service.

B.1 I need to speak to the person who is most familiar with filing taxes for [company] or who oversees the documentation of records that are required when filing [company's] taxes. Who would that person be?

- Speaking.....1 **SKIP TO D.1**
- Someone else2 **GO TO B.2**
- Don't know.....3 **SKIP TO B.4**
- Refused.....4 **SKIP TO B.4**

B.2 That is the person who I must ask to complete the survey. What is that person's name and telephone number?

- Gave name/number.....1 **RECORD NAME/NUMBER, SKIP TO B.3**
- Refused.....2 **GO TO B.2A**

IF REFUSED IN B.2, READ:

The IRS has contracted with SRBI to conduct this survey to ensure that the data is confidential. SRBI is bound by the terms of their contract not to disclose the names of individuals or businesses who participate in the survey. It is important that I speak to the person at [company] who is most familiar with filing the company's taxes.

B.2A Can you give that person's name or number or connect me to them?

- Connected.....1 **SKIP TO C.1**
- Gave name/number, cannot connect.....2 **RECORD NAME/NUMBER ARRANGE CALLBACK**
- Refused..... **GO TO B.4**

B.3 Can you connect me to them?

- Connected.....1 **SKIP TO C.1**
- No, cannot connect.....2 **RECORD NAME/NUMBER ARRANGE CALLBACK**
- Refused.....3 **GO TO B.4**

B.4 Can you give me the name or title and the mailing address of some the person and office that (probably) handles [company's] taxes or financial matters? This way, I can send them a letter that further explains the purpose of the survey, and how they might participate.

- Gave name/address.....1 **RECORD NAME/ARRANGE CALLBACK**
- Refused.....2 **TERMINATE, RECORD REASON**

Hello, this is _____ with the national research firm of SRBI. I am calling about work we are conducting for the Internal Revenue Service.

C.1 First, let me confirm that I am speaking to the right person. Are you the person responsible for the documentation of records that are required when filing [company's] taxes?

- Yes, speaking.....1 **SKIP TO D.1**
- No, Someone else.....2 **GO TO C.2**
- Don't know.....3 **SKIP TO C.4**
- Refused.....4 **SKIP TO C.3**

C.2 That is the person who I must ask to complete the survey. What is that person's name and telephone number?

- Gave name/number.....1 **RECORD NAME/NUMBER, GO TO C.2A**
- Refused.....2 **GO TO C.2A**

C.2A Can you connect me to him/her?

- Yes, connected.....1 **SKIP TO D.1**
- Can't connect.....2 **ARRANGE CALLBACK**
- Refused.....3 **GO TO C.3**

CONDITIONAL: IF C.1=4 OR (C.2=2 AND C.2A=3) THEN ASK C.3

The IRS has contracted with SRBI to conduct this survey to ensure that the data is confidential. SRBI is bound by the terms of their contract not to disclose the names of individuals or businesses who participate in the survey. It is important that I speak to the person at the company who is most familiar with filing [company's] taxes. I will only need to take up about five minutes of his or her time.

C.3 Can you give that person's name or number or connect me to them?

- Yes, gave name/number.....1 **RECORD NAME/NUMBER, ARRANGE CALLBACK**
- Yes, connected.....2 **SKIP TO D.1**
- Refused.....3 **GO TO C.4**

C.4 Can you give me the name or title and the mailing address of the person and office that (probably) handles [company's] taxes or financial matters? This way, I can send them a letter that further explains the purpose of the survey, and how they might participate.

- Gave name/address.....1 **RECORD NAME/ADDRESS, ARRANGE CALLBACK**
- Refused.....2 **TERMINATE, RECORD REASON**

[READ]:

The national research organization SRBI has been asked by the Internal Revenue Service to conduct this survey. The answers you provide are completely confidential. Only aggregate data will be reported to the IRS.

[REFER TO TACK-UPS IF RESPONDENT ASKS FOR MORE INFORMATION]

D.1 I have three questions to see if you are qualified to participate in the survey. First, thinking about [company's] most recently filed federal income tax return (1998, 1999 or 2000), does its corporate structure include entities operating outside the United States?

Yes.....1 **GO TO D.2**
 No.....2 **THANK AND END**
 Don't know.....3 **READ SCRIPT BELOW, IF STILL DK, THEN GO TO D.2**
 Refused.....4 **READ SCRIPT BELOW, IF STILL REF, THEN GO TO D.2**

IF D.1 = DON'T KNOW OR REFUSED THEN READ:
 The survey is focusing on companies who conduct related-party cross-border transactions. It is important that we know if you reported any entities operating outside U.S. borders on the most recently filed federal income tax return for [company].

D.2 Did [company] have cross-border transactions between related entities during the most recently filed federal income tax return (1998, 1999 or 2000) to which Internal Revenue Code Section 482 applies? **[REFER TO TACK-UP #2 IF THEY HAVE QUESTIONS ABOUT SECTION 482]**

- Yes.....1 **SKIP TO D.3**
 No.....2 **THANK AND END**
 Don't know.....3 **GO TO D.2A**
 Refused.....4 **SKIP TO D.2B**

D.2A The survey is focusing on companies who transact business with related entities in foreign countries, and who reported cross-border transactions when they filed their most recent federal income tax return. Is there anyway you can find out if [company] made any cross-border transactions in either of the past two years? I can give you a toll-free number to call if you need time to research it?

- Yes, company made cross-border transactions.....1 **SKIP TO D.3**
 No, company did not make cross-border transactions.....2 **THANK AND END**
 Don't know, will call back with answer.....3 **ARRANGE CALLBACK**
 Don't know/Refused, will not call back with answer.....4 **THANK AND END**

D.2B Once again, the results of the survey are completely confidential. SRBI will not disclose the names of specific respondents to the IRS. In order for us to determine if your company is eligible to participate in the survey, we really need to know if [company] transacted business with related entities and reported cross-border transactions on its most recently filed federal income tax return.

- Yes, company made cross-border transactions.....1 **GO TO D.3**
- No, company did not make cross-border transactions.....2 **THANK AND END**
- Don't know, will call back with answer.....3 **ARRANGE CALLBACK**
- Don't know/Refused, will not call back with answer.....4 **THANK AND END**

[CONDITIONAL: IF D.2, D.2A, OR D.2B = "1" THEN READ]:
 We are required by law to report to you the OMB control number for this public information request. That number is 1545-1720. If you would like, I can give you an address where you can send your comments regarding this survey.

READ ONLY IF RESPONDENT ASKS FOR ADDRESS:
 Send your comments and suggestions to:

Internal Revenue Service
 Western Area Distribution Center
 Tax Forms Committee
 Rancho Cordova, CA 95743-0001

D.3 Was the total income listed on [company's] most recently filed federal income tax form less than 10 million dollars, or was it 10 million dollars or more?

- Less than \$10 million.....1 **THANK AND END**
- \$10 million or more.....2 **SKIP TO D.4**
- Don't know.....3 **GO TO D.3a**
- Refused.....4 **GO TO D.3a**

D.3A The survey is being asked only of eligible companies with revenues of 10 million or more. If [company] didn't list at least 10 million dollars on line 1c of Form 1120, then it does not qualify for the survey. Can you tell me if the total income listed on [company's] most recently filed federal income tax form was less than 10 million dollars or 10 million dollars or more?

- Less than \$10 million.....1 **THANK AND END**
- \$10 million or more.....2 **GO TO D.4**
- Don't know.....3 **GO TO D.4**
- Refused.....4 **GO TO D.4**

NEW SCREEN:

Because the survey requires you to research information contained on your most recent tax return, we will not be able to complete the survey over the telephone. However, we have developed an electronic version of the questionnaire that you can use to enter the information, on-line, at your convenience. The on-line survey is located on our secure web site, and can only be accessed by using a personal identification number we will provide to you.

D.4 Let me confirm, do you have Internet access from your office computer?

- Yes.....1 **GO TO D.5**
- No, doesn't have Internet access.....2 **SKIP TO D.7**
- No, doesn't have an office computer.....3 **SKIP TO D.7**
- Don't know.....4 **SKIP TO D.7**
- Refused.....5 **SKIP TO D.7**

You can complete the on-line survey in one sitting or, if you prefer, quit and return to the place you left off when it is more convenient by simply re-entering your personal identification number. If more than one person is needed to complete the survey, then each person will need to use the same personal identification number to access the survey. Only one P-I-N is assigned per company.

D.5 In order for you to access the on-line survey, I will first need to e-mail you the web address and your personal identification number. What is the e-mail address that we should use to send you this information?

- Provides email address.....1 **RECORD EMAIL ADDRESS/
GO TO D.6**
- Refuse/doesn't want to complete on-line.....2 **SKIP TO D.7**
- Not sure.....3 **SKIP TO D.7**

E-MAIL ADDRESS: _____

D.6 We would also like to fax you a brief letter signed by the IRS's Commissioner of the Large and Mid-Size Business Division. The letter will more fully explain the purpose and scope of the survey. What is the fax number we should use?

- Provided fax number.....1 **RECORD FAX NUMBER, GO TO CLOSING 1**
- Doesn't have fax.....2 **GO TO CLOSING 1**
- Refused.....3 **GO TO CLOSING 1**

FAX NUMBER: _____

D.6a What is the name, title, and the office I should put on the fax?

NAME: _____

TITLE: _____

OFFICE: _____

CLOSING 1:

Thank you for agreeing to participate in the study. Within the next few days, SRBI will send you an email which contains the on-line address of the survey and your personal identification number. If you have not received the email within five business days, then please call us toll-free on 1-800-659-5432. Call between 9:00 a.m. and 5:30 p.m. Monday through Friday and say you are calling about project number 9173. Thank you very much for agreeing to participate in the survey.

AFTER READING CLOSING 1, SKIP TO E.1

D.7 We would like to fax you a copy of the questionnaire along with a brief letter signed by the IRS's Commissioner of the Large and Mid-Size Business Division. The letter will more fully explain the purpose and scope of the survey. What is the fax number we should use?

- Provided fax number.....1 **RECORD FAX NUMBER, GO TO CLOSING 2**
- Doesn't have fax.....2 **GO TO CLOSING 2**
- Refused.....3 **GO TO CLOSING 2**

FAX NUMBER: _____

D.7a What is the name, title, and the office I should put on the fax?

NAME: _____

TITLE: _____

OFFICE: _____

CONDITIONAL: IF D.5>1 AND D.7>1 THEN SKIP TO D.8; ELSE ASK CLOSING 2
CLOSING 2:

Thank you for agreeing to participate in the study. Within the next few days, SRBI will send fax you a copy of the questionnaire along with the letter by IRS's Commissioner of the Large and Mid-Size Business Division that further explains the scope and purpose of the survey. Once you complete the survey, simply fax it back to the number on the front of survey form. If you do not receive your fax within 5 business days, then please call us toll-free on 1-800-659-5432. Call between 9:00 a.m. and 5:30 p.m. Monday through Friday and say you are calling about project number 9173. Thank you very much for agreeing to participate in the survey.

AFTER READING CLOSING 2, SKIP TO E.1

D.8 If you like, we can mail you a hard copy of the questionnaire in the mail. Would you like us to mail you a paper questionnaire?

Yes, would like paper version.....1

GO TO D.8A

No/Do not want to participate.....2

**RECORD REASON/SCHEDULE REFUSAL
CONVERSION/SKIP TO E.1**

Don't know.....3

GO TO D.8A

D.8a If you give me your name, title and exact mailing address, including your room number, we will mail you a copy of the questionnaire along with a brief letter signed by the IRS's Commissioner of the Large and Mid-Size Business Division further explaining the scope and purpose of the survey.

Gave name/address.....1

RECORD INFORMATION/GO TO CLOSING 3

Refused.....2

**RECORD REASON/ SCHEDULE REFUSAL
CONVERSION/SKIP TO END**

NAME: _____

TITLE/OFFICE: _____

ADDRESS: _____

ROOM/SUITE/STOP NUMBER: _____

CITY: _____

STATE: _____ ZIP: _____

NOTE: WHEN RECORDING EXACT MAILING ADDRESS, BE SURE TO ASK FOR ROUTING INFORMATION SUCH AS OFFICE SYMBOLS, MAIL STOPS, AND SUITE/ROOM NUMBERS.

CLOSING 3:
Thank you. We will send you a paper version of the questionnaire. You should receive your copy within the next 4 to 10 days. If you don't receive it within the next two weeks, then call the following toll-free number, and they will mail you another copy immediately. The number to call is 1-800-659-5432. Call between 9:00 a.m. and 5:30 p.m. Monday through Friday and say you are calling about project number 9173. Thank you very much for participating in the survey.

AFTER READING CLOSING 3, GO TO E.1

E.1 GENDER (By Observation)

Male.....1

Female.....2

TACK-UP #1: FREQUENTLY ASKED QUESTIONS**IF RESPONDENT WANTS A NUMBER TO CALL TO VERIFY SURVEY:**

You can call SRBI anytime toll-free on 1-888-772-4269. Just say you are calling about study number 9173.

IF RESPONDENT ASKS FOR IRS CONTACT PERSON: If you would like to contact the IRS about this survey, then call (202) 874-1874 during business hours and ask for Mr. Tom Simpson.

IF RESPONDENT ASKS FOR OMB CLEARANCE NUMBER: The OMB Clearance Number is 1545-1720. If you would like, I can give you an address where you can send your comments regarding this survey.

READ IF RESPONDENT ASKS FOR ADDRESS:

Send your comments and suggestions to:

Internal Revenue Service / Western Area Distribution Center / Tax Forms Committee
Rancho Cordova, CA 95743-0001

IF HESITANT, OR ASKS FOR MORE INFORMATION:

The Internal Revenue Service has asked SRBI to conduct a survey of medium and large corporations. The U.S. Congress is requiring the IRS to conduct the survey. It is important that I speak to either the company's Chief Financial Officer (CFO), or the person who is responsible for handling the filing of your company's income tax returns. I will only need about 5 minutes of his or her time.

IF RESPONDENT ASKS ABOUT THE PROJECT:

This survey is designed to assist the IRS in administering section 482 of the Internal Revenue Code regarding transfer pricing policies. In particular, the survey is examining factors relating to the avoidance of penalties that can be assessed through section 6662(e) of the I-R Code. Congress has instructed the IRS to survey eligible businesses to assess the effectiveness of section 6662(e). For further information, refer to Senate Report No. 106-87, Treasury and General Government Appropriation Bill, 2000 at pages 34 and 35.

IF RESPONDENT ASKS IF PARTICIPATION IS REQUIRED:

The survey is completely voluntary. You do not have to participate. Furthermore, Your responses will not be used to select (or non-select) your company for examination. Also, the fact that your business received this survey does not mean that you will be subject to examination with respect to your transfer pricing under section 482. Your responses to this survey will be used exclusively as part of a study of the application of section 482 and the effect of section 6662(e). Finally, this questionnaire does not constitute an IRS "contact" under Treas. Reg. 1.6662-6(a)(2) and hence does not prevent your company from filing a qualified amended return under that provision, if it should so choose, to mitigate any potential penalty under section 6662(e).

IF RESPONDENT ASKS HOW NUMBER WAS OBTAINED AND/OR IS STILL RELUCTANT:

You were randomly selected for this survey from list of medium and large corporations with annual assets of 10 million dollars or more in 1999. Although, IRS provided us with the list, SRBI selected the sample and will not divulge the names of the company's or their representatives with the aggregate data they provide the IRS.

IF RESPONDENT ASKS IF YOU ARE EMPLOYED BY IRS:

No. We are an independent survey research company that has been hired by the IRS to conduct this survey. Nobody associated with SRBI is an employee of the IRS and any information you provide us will be completely confidential.

IF RESPONDENT DWELLS ON AN ON-GOING IRS PROBLEM:

SRBI is a national survey research company that has been hired by the IRS to conduct this survey. We do not have access to any IRS information on your account.

TACK-UP #2: INFORMATION ABOUT THE SURVEY'S SCOPE AND PURPOSE**PURPOSE OF THE SURVEY:**

The survey is being sent to a sample large and mid-size corporations. It is designed to assist the IRS in administering section 482 (transfer pricing) of the Internal Revenue Code (IRC) and related sections and regulations, particularly IRC section 6662-e (transfer pricing penalties). The survey is conducted pursuant to an instruction from the United States Congress for the IRS to study the effectiveness of section 6662-e. For more information, you can refer to Senate Report No. 106-87 Treasury and General Government Appropriation Bill, 2000 at pages 34 and 35.

SCOPE OF SURVEY:

The questions ask for information about your company's experience with section 482 and your current practice regarding section 6662-e documentation. In general, the survey focuses on your most recent filed tax return, that is, the tax return filed for the 1998, 1999, or 2000 taxable year.

ABOUT TRANSFER PRICING:

Section 482 require taxpayers to charge an "arm's length" price for goods, services and intangibles exchanged between related parties, that is, the price which would have been charged for a similar transaction to an unrelated party. Section 6662-e establishes penalties for taxpayers that have their income adjusted by the IRS in accordance with section 482, where the adjustment exceeds certain thresholds. Taxpayers may avoid these penalties if they have reasonable contemporaneous documentation supporting their transfer pricing at the time they file their original return. This documentation is described in section 6662-e. Although it is in the company's best interest to prepare contemporaneous documentation (to avoid penalties) they are not required to do so.

TACK-UP #3: INFORMATION ABOUT THE INTERNET SURVEY**IF RESPONDENT IS CONCERNED ABOUT PROVIDING EMAIL ADDRESS, READ:**

We need your email address in order to send your Personal Identification Number. SRBI will not provide the IRS or anyone else with your email address without your permission.

IF RESPONDENT WANTS ADDRESS/PIN OVER THE PHONE, READ:

I am not allowed to assign a personal identification number over the telephone. The P-I-N is assigned by our Director of Information Systems on a daily basis. In order to complete the survey electronically, you must have a personal identification number. Again, the survey is completely confidential. All identifiers such as names, telephone numbers, and e-mail addresses will be destroyed after the study is complete. Your e-mail address will not be used for any other purposes.

IF CONCERNED ABOUT THE SECURITY OF THE WEB SITE:

SRBI takes every precaution to ensure data collected on the Internet remains both secure and confidential. The host server is stored in a secure location. The address is unique to the survey and can only be accessed by being typed directly, rather than through links located on our commercial web site. Only those given the seven-digit personal identification numbers (P-I-N) can enter the survey. When you enter the P-I-N, you are moved to a non-public directory which is not accessible through the Internet. When entered, the data interfaces with a script located on a 2nd non-public directory accessible only to the SRBI system administrator.

The data is stored off-line once survey is completed. As each survey is completed, survey responses are downloaded off-line. The data are then stored on diskettes and locked in a safe. Once a survey is submitted, the P-I-N used to access the survey becomes invalid, and the survey cannot be re-accessed. These measures make it nearly impossible for someone to access the responses of another respondent.

IF CONCERNED ABOUT ANONIMITY, READ:

The survey is accessed by a unique seven-digit personal identification number known only to you. This number is generated by SRBI and sent directly to you via email. The survey can only be accessed by typing in the Internet address directly. The address is sent directly to you along with your personal identification number.

Only SRBI knows the identity of persons and companies assigned to a personal identification number. This information will be used by SRBI only for tracking purposes during the course of the survey, and will not be shared with the IRS at any time.

IF RESPONDENT DOESN'T HAVE TIME:

You can complete the survey at your own pace, either in one sitting or over a period of days. SRBI uses an ID tracking system that allows you to access the survey as many times as you need to until it is completed. All your previous answers are saved, so when you re-access the survey, you are brought back to the place you left off. This system also allows more than one person at the company to complete the survey, by using the same address and personal identification number which you would control.